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Unsafe Banking

The failure of the 7th National Bank of New York city calls attention to the fact that many banks are doing business upon an unsafe basis. This particular bank made a report to the clearing house on June 21st showing that its capital was only \$376,340 while its deposits were over \$5,700,000; its loans over \$4,400,000. A shrinkage of ten per cent in the value of its loans would have more than wiped out its capital. According to the report referred to the net profits were \$234,000 but even this sum added to the capital would not give a sufficient margin to make the business safe.

Some ratio should be fixed between the bank's capital and its deposits for while it may be very profitable to divide among a few stockholders the profits secured upon large deposits it invites collapse. A banker would not loan to a merchant whose liabilities equalled 90 per cent of his assets. Why should he ask depositors to trust him under the same circumstances?

"Hampers" in the Constitution.

The American Review of Reviews gives an interesting editorial approving of the Supreme Court decision as delivered by Justice Brown. In this the Review says "The primary object of the American constitution was to arrange an effective and permanent scheme of partnership and union for a group of associated states which were not suitably organized under the old articles of confederation." "The Review adds that the constitution "was never intended to hamper posterity" and concludes "the main thing that has been decided thus far is that the constitution of the United States is not a document that is going to interfere with the people of the United States in their proposal to do the very best thing that they can from time to time in providing for the government, development and true progress of the territories that they have acquired by recent annexation."

The preamble of the constitution tells the object of that document, and even the Review of Reviews cannot improve upon the statement. The object, according to this preamble, was to "form a more perfect union, establish justice insure domestic tranquility, provide for the common defense, promote the general welfare and secure the blessings of liberty to ourselves and our posterity." It is very evident that even some of "our posterity" were deliberately "hampered" by the framers of the constitution. They knew the tendency of strong men to take advantage of weaker men, and so they declared as one of the objects of the constitution "to secure the blessings of liberty to ourselves and our posterity." Mark the word "secure," and observe that the fathers intended to "secure"

liberty not only for themselves but for posterity. And in order to make these benefits secure they ordained and established this constitution for the United States of America—a constitution which has always been recognized as a grant of power and the certificate of any authority which our public servants may rightfully exercise.

It is true that it was not intended that the constitution should interfere with the people of the United States in their proposal to do whatever they sought to do. The people of the United States are the makers and the correctors of the constitution, and in order that it should not interfere with them in anything that they might see fit to do in the future a method of amending the constitution was provided. They did, however, intend that that document should interfere with any public officials, with any men or coterie of men who saw fit to do things inconsistent with American traditions and American principles, and they established a written constitution in which they said to their public servants, so far as concerns the authorities and the powers they might exercise—"thus far and no farther."

Condemning Gladstone.

Lord Salisbury in a recent speech lays upon Gladstone the responsibility for the trouble in South Africa. He says:

"When you have succeeded as you will succeed, you will be free from molestation by those who desire your territories, and who would gladly abate the position you hold in the world. If you allow the belief to arise that you are unable or unwilling to defend your own territory you will soon find that you have no territory to defend."

"That was Mr. Gladstone's great fault in the Majuba matter. He, doubtless, acted from high motives, but he did not realize what the outcome would be. We now know from a hundred sources that the recollection of Majuba and the belief that the resistance would be followed with the same results induced the Boer government to play the desperate cast which will end in the destruction of the independence of their country."

In order to excuse the conduct of those who involved England in the present disastrous war it becomes necessary to find a scape goat, and Salisbury, the man of war, selects Gladstone, the statesman of peace, as the victim. Because Gladstone was actuated by a desire to do justice to the Boers, Salisbury finds it more difficult to do justice. Such is life! Virtue is always a menace to vice, and those who persist in doing wrong are compelled to antagonize all that is good. Gladstone is in the way of the war spirit, he must be pushed into the background. England is done with the Christian statesman. She is under the influence of the brutalizing and barbarous doctrine of imperialism.

This nation is traveling in the same direc-

tion just now and if the patriotic utterances of the early statesmen are invoked against schemes of spoliation we may expect to hear of the "errors" of Patrick Henry and Jefferson and Lincoln in defense of human rights and civil liberty. Grosvenor has already attacked Washington in order to defend the third term idea, and the desecration of graves has just begun.

"Between Local Politicians."

Many taxpayers in Philadelphia have organized a revolution for reform in municipal affairs. The seizure by a syndicate of republican politicians of a number of valuable franchises for which John Wanamaker offered to pay \$3,000,000 was the cause of this investment. Postmaster General Smith, who resides in Philadelphia, sent a telegram from Washington addressed to the officers of the citizen's mass meeting in which he denounced the machine and distinctly took a stand with the people. This was interpreted to mean that the administration had arrayed itself against the Philadelphia syndicate. But immediately following Mr. Smith's telegram "a close friend of the administration" gave to the newspapers this announcement: "The President never has and never will mix up in local politics; he believes that local politicians should settle their own differences."

It will be interesting to observe whether Mr. McKinley will permit this doubt concerning his position to remain. To be sure it is not necessary that the President of the United States should take part in any local question. But here is an instance where a member of the President's cabinet living in a town that was the victim of one of the most outrageous instances of robbery on record, sent to the people in mass meeting assembled assurances of his sympathy and condemnation of the wrong perpetrated against the people of Philadelphia. Mr. Smith did this, not as a cabinet officer, but as a citizen of Philadelphia. It was not necessary for Mr. McKinley to accept or deny responsibility for the action of Mr. Smith, the Philadelphia citizen. But the situation changes when "a close friend of the administration" announces that the President never had and never will mix up in local politics, and adds that the President believes that "local politicians" should settle their own "differences." The situation changes because Mr. McKinley has been placed in the attitude of entering this controversy, and the definition "a close friend of the administration," has placed upon the Philadelphia situation will be accepted as an authoritative one by many people outside of the Pennsylvania metropolis.

Here it will be seen that the man who as-